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Dockets Facility, U.S. Department of Transportation, Room PL-401
400 Seventh Street SW
Washington DC 20590-0001

RE: {Docket No. RSPA-99-6355; Notice 1}
Pipeline Safety: Enhance Safety and Environmental Protection for
Gas Transmission and Hazardous Liquid Pipelines in
High Consequence Areas

Columbia Gas Transmission Corporation (Columbia) is a wholly-owned subsidiary of the Columbia Energy Group, Inc., and is engaged in the transportation and storage of natural gas in interstate commerce for affiliated and non-affiliated companies. Columbia is one of the largest interstate natural gas pipeline systems in the United States, with approximately 12,450 miles of transmission pipeline in eleven states.

On November 18, 1999 INGAA made a presentation at the Public Meeting (64 Fed Reg. 56570, October 20, 1999), hosted by OPS in the above-referenced docket. The presentation represented the views of Columbia and the rest of INGAA's membership. INGAA made the following recommendations:

- OPS and state pipeline safety agencies should communicate to the public their present inspection process as well as the new initiatives;
- The present joint initiatives should be completed, documented and successes integrated into the regulatory structure before any new initiative is started; and
- A joint public safety education effort should be established.

Columbia favors managing pipeline integrity and we have always applied integrity management principles in affected areas due to existing regulations and our commitment in maximizing safety to the public, our employees and the environment. Columbia supports an integrity management rule in the pipeline safety regulations provided: 1) OPS determines that such a rule will further improve pipeline safety; 2) a reasoned determination can be made that the benefits justify the costs; and 3) the rule is performance focused rather than prescriptive. Accordingly, Columbia provides the following discussion and suggestions on the scope and style of this very important OPS regulatory initiative.

A. Factual History:

1. No public fatalities on Interstate Natural Gas Transmission Pipelines in Classes III and IV areas have occurred since 1989.
2. Public property damage is a fraction of the total reported value of property damage from the incidents which have occurred.
3. None of the incidents reported in the 1993-98 timeframe in Class III and IV areas would have been prevented by pigging or hydrostatic testing.
4. The existing pipeline safety regulations in 49 CFR Part 192 require many additional actions, including a form of integrity management with resultant testing, pressure reducing and pipe replacement options.
5. Columbia has not had an incident in a Class III or IV area in the past ten (10) years that would have been prevented-by smart pigging or hydrostatic testing. Our only incidents in these areas were due to third party damage.
6. The cost for Columbia to smart pig all of its Class III and IV areas just one time is estimated at $200 million.
7. Columbia's Class III and IV mileage represents 4.5% of its total mileage.

Given the excellent safety record in Class III and IV areas achieved by Columbia and the industry, it is appropriate to question what true benefit would be achieved by OPS "mandating" via a regulation, a single testing rule that would require smart pigging and/or hydrostatic testing for "high consequence areas" if it will not significantly improve pipeline safety. Such a rule will invariably divert necessary resources away from areas where both probability of occurrence and consequence have already been considered and have been found to warrant action by the operator above what the regulations require to mandated work in "high consequence" areas irrespective of need.

OPS and the industry have invested a significant amount of resources on the risk management effort. Risk management's basic premise is that risk is a function of probability times consequence. Focusing only on consequence dilutes the focus on total risk. For Columbia, the tremendous expense to smart pig and/or perform hydrostatic testing would exhaust our limited budget for several years. This would not allow us to implement any other replacement or rehabilitation projects for the rest of our system during this time period to the detriment to other projects of higher risk. Thus, Columbia fears that an OPS mandated approach will decrease overall pipeline safety, not increase it.

B. Suggested Regulatory Approach:

1. Performance Based Rule(s)

Any rule should be performance oriented and describe in performance language what a High Consequence Area (HCA) is and what are the expected goals of an integrity management plan. (For purposes of these comments we "assume" HCAs would be a subset of Class III and IV locations in 49 CFR Part 192.) The stakeholders at the public meeting seem comfortable with requiring each regulated transmission pipeline to develop, if it has not

already done so, an Integrity Management Plan (IMP) for those HCAs along their pipelines. Columbia believes a rule mandating IMPs should reference an industry standard to be jointly developed by the gas pipeline industry along with OPS and other stakeholders. The industry standard would provide uniform guidance when developing a company specific IMP which meets the intent of both the industry standard and the proposed OPS regulation.

2. Define High Consequence Areas (HCA)

The regulation would include all consequence considerations including existing Class III and IV parameters along with those additional consequence parameters deemed necessary and the regulations would provide sufficient flexibility for the operator, based on the particulars of the company's operation and facilities. While the HCA definition should consider Class III and IV locations, OPS should develop a distinctive definition which would exclude, if appropriate, some criteria used in the class location regulations. The industry standard would not mandate testing, but rather mandate the gathering and integration of information and data in order to assess the integrity of those pipeline segments in an HCA. Where sufficient information and data are not available, testing, inspection or other data acquisition would be required to the degree necessary to make the required assessment.

3. Blending Existing Regulations with Industry Standards

In the development of the industry standard and the performance-based regulation, all consequence driven regulations would be extracted from OPS' existing regulations in 49 CFR Part 192 and related provisions covered by the industry standard. This would provide for a comprehensive handling of the consequence factors, as they would apply to necessary preventive actions. With a more comprehensive approach, the operator would select the most appropriate methodologies for dealing with consequence driven criteria, and implement those methodologies to respond to the potential risks. Depending on the specific situation, the operator's implementation choices may include pipe replacement, lowering of operating pressure, smart pigging, hydrostatic testing, additional leak inspection, etc. If the integrity of a given pipeline segment does not meet the operator's risk tolerance goal, the appropriate remedial action would be taken.

4. Options Approach

It is also advisable for OPS to provide in the regulations an option approach where the operators could choose between either the integrity industry standard or a testing alternative. For some companies it may be simpler and more expeditious to perform testing rather than develop comprehensive integrity plans. OPS should provide for this contingency either in regulations that would allow companies to choose which option best fits their needs or by incorporating the testing option into the standard. This latter option would allow for a single regulation that is performance based, referencing an industry standard where that standard provides the necessary flexibility.

Columbia recommends that OPS develop a phased approach similar to the Operator Qualification Rule where companies are given time to develop a plan in Phase I and an

additional time frame to implement their plan after development. Some plans might require several years beyond the implementation deadline to fully complete given costs, priorities, risk assessment and other factors.

C. Public Education:

Recognizing that enhancement of public education will likely be included in this proposed rule, Columbia proposes a public disclosure requirement (in addition to those already contained in existing programs and regulations) regarding the identified HCAs. Columbia supports the extensive public outreach efforts of OPS in recent years to expand the information about benefits and risks of pipelines routed through local communities, including "call before you dig" requirements, third party damage and anti-encroachment efforts. As a practical matter, and in Columbia's operating experience, the public can have its greatest impact on public safety by being aware of and actively supporting these three specific items.

OPS has already engaged in several successful initiatives on public education such as its Damage Prevention Program and as part of its Risk Management Program. Any requirements about sharing relevant HCA information with the affected public be consistent with the "Communication Plan" requirements set forth in the Risk Management Program Standard of OPS' Risk Management Demonstration Program (Docket No. PS-142). OPS should build on its own existing initiatives on public education rather than reinvent programs or copy other regulatory agencies.

D. Conclusion:

Columbia remains committed to maintaining the integrity of its pipelines through working with OPS, the states and other stakeholders to immediately begin the development of an industry standard and any additions to and/or modifications of the pipeline safety regulations. We recommend a "best practices" approach along the lines of our extremely successful joint development of a "risk management standard."

Columbia appreciates the opportunity to comment on this very important issue. While we are continuously committed to improving pipeline safety, we are opposed to wasting resources in areas where not only safety cannot be improved, but would also cause deterioration of existing, proven safety initiatives. We also encourage OPS to complete, document, and measure the many other initiatives started during this presidential administration in order to ensure that our combined efforts are effectively applied.

Sincerely,

John S. Zurcher /ls

John S. Zurcher
Manager, Pipeline Safety